

**REMARKS / ARGUMENTS**

Claims 31-38 remain pending in this application. Claims 21-30 and 39-43 have been canceled without prejudice or disclaimer. No new claims have been added.

**Double Patenting Rejection**

Claims 31-38 stand provisionally rejected under the judicially created doctrine of obviousness-type double patenting as being unpatentable over claims 1-18 of U.S. Patent No. 6,868,398. Without admitting to the propriety of the rejection, the Applicants submit herewith a terminal disclaimer to avoid the rejection.

**35 U.S.C. §§102 and 103**

Claims 31-38 stand rejected under 35 U.S.C. §102(e) as being anticipated by Crawford (U.S. Patent No. 6,411,943). These rejections are traversed as follows.

Although Applicants maintain the patentability of independent claim 31, in order to reduce the number of issues and to expedite prosecution, claim 31 has been amended to incorporate the limitation of claim 34. At a minimum, Crawford fails to disclose or suggest all of the limitations of amended claim 31.

According to the presently claimed invention, the method for renting and charging for use of a storage system includes the steps of providing the user with an the initial volume of storage space, charging the user for use of the initial volume at a

predetermined rate, providing an added volume of storage space as needed by the user and charging the user for a portion of the added volume that is actually used by the user. The owner of the storage system is notified when the user begins using a portion of the added volume. In addition, data stored in a first portion of the storage system is copied into a second portion of the storage system and the user is charged for use of the second portion at a rate lower than for use of the first portion.

On the other hand, Crawford merely discloses an internet on-line backup system which provides services such as antiviral protection, auxiliary processing capabilities and other features that are impractical or inconvenient to provide locally. In the present invention, a storage system is rented to the user and is maintained at the user's site. The claimed method is directed to charging for use of particular volumes in the storage system. The portions referred to by the Examiner in Fig. 8B, are unrelated to the limitations contained in the claims. In particular, blocks 456 - 462 provide a general description of "additional user requests handling", as stated by the Examiner. However, these blocks does not disclose or suggest how to charge for an initial volume or a used portion of an additional volume.

Furthermore, with respect to the limitation that was formerly in claim 34, block 202 in Fig. 2 does not disclose or suggest that data is copied from a first portion to a second portion and that the user is charged for use of the second portion at a rate lower than that of the first portion. Block 202 merely discloses off-site archival. As

Appl. No. 10/716,471  
Response dated November 30, 2006  
Reply to Office Action of September 5, 2006

NIT-308-03

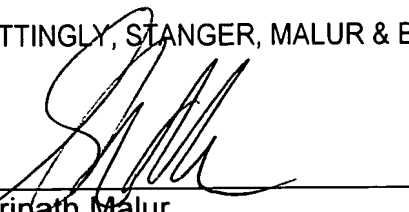
such, it is submitted that the pending claims patentably define the present invention over the cited art.

**Conclusion**

In view of the foregoing, Applicant respectfully requests that a timely Notice of Allowance be issued in this case.

Respectfully submitted,

MATTINGLY, STANGER, MALUR & BRUNDIDGE, P.C.

By   
Shrinath Malur  
Reg. No. 34,663  
(703) 684-1120